

Message Text

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ACTION AF-08

INFO OCT-01 EB-07 EUR-12 EA-07 ISO-00 CIAE-00 INR-07

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R 201505Z AUG 76

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 6427

USDOC WASHDC

INFO AMEMBASSY BELGRADE

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BUCHAREST

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY THE HAGUE

AMEMBASSY WARSAW

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E. O. 11652: N/A

TAGS: BENC, ENRG, NI

SUBJ: MAJOR PROJECT FOLLOWUP: PIPELINES

REF : (A) LAGOS 9402, (B) LAGOS 5569, (C) LAGOS 4968

1. WILLIAMS REPRESENTATIVE MENTIONED PARAGRAPH TWO REFTEL

(A) SAID CONTRACT DECISION APPARENTLY DELAYED, AND HOME
OFFICE OFFICIALS DID NOT COME TO LAGOS THIS WEEK.

2. LOCAL PETROLEUM CONSULTANT WITH ACCESS TO SOURCES IN MINISTRY
OF PETROLEUM RESOURCES TOLD EMBOFF HE HAD OBTAINED NAMES OF FIRMS
ON FINAL SHORT LIST FOR PIPELINE WORK. FIRMS ARE:

ENTREPOSE (FRANCE)

WILLIAMS INTERNATIONAL (U.S.)

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MCDERMOTT (U.S.)

SNAMPROGETTI (ITALY)
TECHINT (ITALY)
MONTUBI (ITALY)
V/O TSVELMELPROMEXPORT (USSR)
NISSHO IWAI/NKK (JAPAN)
SPIE BATIGNOLLE (FRANCE)
NACAP BV (HOLLAND)
COASTERMINAL/COMPRIMO/HANAB STEVIN (HOLLAND)

3. CONSULTANT SAID MINISTRY SOURCE TOLD HIM THAT FIRST SEVEN FIRMS ON THIS LIST STAND THE BEST CHANCE OF GETTING CONTRACTS FOR ONE OR MORE SECTIONS OF FIVE SEPARATE PIPELINES INVOLVED IN TOTAL PROJECT.

4. BIGGEST SURPRISE WAS THAT MANNESMAN OF WEST GERMANY NOT INCLUDED ON SHORT LIST. BEFORE JULY 1975 COUP THAT REMOVED GENERAL GOWON FROM OFFICE, MANNESMAN WAS ONE OF THREE COMPANIES (OTHERS WERE WILLIAMS AND ENTREPOSE) THAT HAD BEEN ISSUED LETTER OF INTENT ON ORIGINAL PIPELINE PROJECT. MANNESMAN SEEMED VIRTUALLY SURE BET TO BE ONE OF FIRMS AWARDED PORTION OF NEW EXPANDED PIPELINE PROJECT, AND IN ADDITION WAS CONSIDERED STRONG CONTENDER FOR SUPPLY OF MAIN LINE STEEL PIPE. AS NOTED REFTEL (A), PIPE SUPPLY CONTRACT WENT ENTIRELY TO JAPANESE STEEL FIRMS. NOW IT APPEARS MANNESMAN, WHICH WAS ON LIST REPORTED REFTEL (C) OF SIXTEEN FIRMS PREQUALIFIED BY MINISTRY OF PETROLEUM RESOURCES IN APRIL TO SUBMIT BIDS ON PIPELINE PROJECT, HAS BEEN ELIMINATED FROM CONSTRUCTION AND DESIGN AS WELL.

5. CONSULTANT WHO PROVIDED SHORT LIST, WHEN ASKED IF HE KNEW REASONS FOR ELIMINATION OF MANNESMAN FROM FINALISTS, SAID HE HAD HEARD SOMETHING ABOUT GERMANY'S FREEZING OF NIGERIAN ASSETS DURING THE CEMENT IMPORTATION CRISIS LAST FALL. COMMENT: NIGERIAN GOVERNMENT HAD SAID IT WOULD REWARD THOSE WHO COOPERATED IN WORKING WAY OUT OF CRISIS AND IMPLIED OPPOSITE TREATMENT FOR THOSE WHO TRIED TO PUSH IT UP AGAINST THE WALL. EMBASSY STRONGLY URGED U.S. FIRMS TO COOPERATE LAST YEAR, AND WE HAVE SEEN THIS PAY OFF IN NEW CEMENT ORDERS. MANNESMAN'S APPARENT FATE MAY BE EXAMPLE OF CONCRETE RETALIATORY ACTION BY FMG. ADMITTEDLY, LAGOS ABOUNDS WITH RUMORS. ECONOMIC COUNSELOR OF GERMAN EMBASSY TOLD EMBOFF HE HAS SEEN NO EVIDENCE OF SUCH RETALIATORY ACTION, THAT ECONOMIC RELATIONS BETWEEN TWO COUNTRIES ARE GOOD, AND THAT AS FAR AS HE KNOWS LIMITED OFFICIAL USE

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MANNESMAN STILL IN RUNNING. HOWEVER, HE SEEMED TO HEDGE A BIT BY SAYING MANNESMAN HAD BEEN MORE INTERESTED IN SALE OF MAIN LINE PIPE THAN IN CONSTRUCTION CONTRACT, AND PROFESSED IGNORANCE THAT JAPANESE CONSORTIUM HAD WON THE FORMER (JAPANESE EMBASSY CONFIRMED IT HAD).

6. OTHER SURPRISE ON SHORT LIST WAS APPEARANCE FOR FIRST TIME OF RUSSIAN FIRM, REFERRED TO IN REFTEL (A). SPELLING IS AS

GIVEN BY CONSULTANT AND MAY BE INACCURATE, BUT MAY HELP EMBASSY
MOSCOW PIN DOWN IDENTITY.
CAHILL

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Margaret P. Grafeld
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